



COMMONWEALTH OF VIRGINIA JOINT LEADERSHIP COUNCIL OF VETERANS SERVICE ORGANIZATIONS

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RICHMOND VA 23219

*Air Force Association
American Legion
AMVETS
Association of the United
States Army
Disabled American
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Fifth Baptist Veterans
Ministry
Fleet Reserve Association
Iraq & Afghanistan Veterans
of America
Korean War Veterans
Association
Legion of Valor of the
U.S., Inc.
Marine Corps League
Military Order of the
Purple Heart
Military Officers Association
of America
Military Order of the
World Wars
National Association for
Uniformed Services
Navy Mutual Aid Association
Navy Seabee Veterans of
America
Non-Commissioned
Officers Association
Paralyzed Veterans of
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Reserve Officers Association
Roanoke Valley Veterans
Council
Veterans of Foreign Wars
Vietnam Veterans of America
Virginia Army/Air National
Guard Enlisted
Association
Virginia National Guard
Association
Women Marines Association*

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MOAA

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Position Paper 2018-03

Veteran Entrepreneur Capital Resources Program (VECRP)

OBJECTIVE: To establish a dedicated source of funding through a Veteran Entrepreneur Capital Resources Program (VECRP), available solely to Virginia veteran entrepreneurs establishing business ventures based in Virginia.

BACKGROUND:

1. Entrepreneurship is the “third leg of the stool,” (along with education and employment) and a key for veterans to participate in the New Virginia Economy.
2. The Board of Veterans Services’ Veteran Entrepreneurship Work Group diligently researched this issue for a year. The Governor also convened an Executive Committee, led by Sec. Harvey to study the issue of veteran entrepreneurship.
3. Current programs, such as the U.S. Small Business Administration’s (SBA) Boots to Business program, Bunker Labs, Capital Post, and the Arsenal are focused on training and mentorship.
4. SBA-backed loans for veterans can be difficult for first time entrepreneurs to secure since banks are often unwilling to give small business loans to veterans with no commercial track record of business success.
5. The Virginia Small Business Financing Authority (VSBFA) is Virginia’s business and economic development financing arm, within the Department of Small Business and Supplier Diversity (VSBSD), that provides financing for small businesses and economic growth in Virginia.

DISCUSSION:

1. SBSD provides capital assistance through microloan programs, and the agency is interested in starting a microloan program specifically for Virginia veteran entrepreneurs of any era, either new start-ups or existing small businesses, as long as the owner and business are both in Virginia.
2. VECRP would help place Veteran entrepreneurs on a more equal footing with civilian entrepreneurs. The amount of the loans would be subject to the number of applicants and funds available, with a probable max amount of \$25,000.
3. Veterans would be given competitive, below-market interest rates, but be subject to all federal and state banking and lending laws and the policies and regulations SBSD has for its’ microloan programs. Loans would be repaid in 48 months.
4. VECRP would be administered by the VSBFA, with DVS assisting in verifying veteran status, promoting the microloan program and sending potential veteran entrepreneurs to the VECRP.
5. To give SBSD enough time hire a FTE to administer the program and set it up correctly, we request an enactment date of January 1, 2019.

RECOMMENDATION:

That the Governor and General Assembly enact legislation to establish a Veteran Entrepreneur Capital Resources Program, and provide budget support in the amount of \$1,000,000 in FY19 and \$1,000,000 in FY20 for the microloan fund and 1 FTE to administer the program, beginning January 1, 2019.